

# Orange County Register

## O.C., neighbors flunk on quality of life

*Regional governments' report card cites poor air and lack of affordable housing, but praises economic vitality.*

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By JAMES B. KELLEHER

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Southern California likes to think of itself as the brightest kid in the American class, the envy of the rest of the country.

But if the six-county region were a student, it would have a grade point average of about 1.7 and be on a trajectory toward remedial classes.

That's the dispiriting message from the Southern California Association of Governments, which releases its annual report card for Orange, Los Angeles, Ventura, Imperial, Riverside and San Bernardino counties today.

The report card, which looks at the region's economy and quality of life, says Southern California took one step forward, two steps back in 2003, the most recent period SCAG surveyed, improving its SCAG-assigned grade in only one category (employment) while falling in two others (housing and air quality).

"Southern California is one of the most dynamic regions in the world," said Riverside Mayor Ron Loveridge, who chaired the SCAG task force.

"But the challenges we face are significant."

Among those that SCAG points out are traffic congestion, deteriorating air quality, the exodus of high-paying manufacturing jobs, stagnant household incomes, a growing population and a growing housing-affordability problem.

SCAG's report card comes a week after a similar Los Angeles Economic Development Corp. report card focusing on the outlook for specific industries in the region - from aerospace to tourism. That report, like SCAG's, predicted short-term economic growth.

But LAEDC worried that Orange County had reached a "tipping point" because of congestion and high property prices.

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### Report on the region bleak

Are Southern California's golden years in the future - or in the past? In a report card on the region released today, the Southern California Association of Governments, the planning agency for the region's six counties, says it's up to us.

Although the region has experienced some encouraging improvements in recent years in employment and public safety, it continues to confront major challenges in terms of population, housing, congestion and pollution - challenges SCAG says are eroding our quality of life and imperiling our future.

Tackling the problems takes money as much as imagination, and SCAG worries that will be in short supply as the state wrestles with its ongoing budget woes.

## Mobility

**Grade: D- (unchanged)** You probably knew this, but SCAG's numbers confirm it: Southern California has the worst peak-time congestion and traffic-caused delays in the country. And within the region, Los Angeles and Orange counties are especially slow-moving, with commute times nearly doubling during rush hours.

Highway fatality rates in the region are continuing to climb and now stand at about five a day. That gives us a higher death rate than the nation as a whole when measured on a fatality-per-miles-traveled basis. Our grim ratio: 1.2 people per 100 million vehicle miles traveled. The national number: 0.94 persons per vehicle mile traveled.

Yet despite all this, use of public transportation is declining. During the most recent year, transit boardings fell 2 percent, according to SCAG. And fewer and fewer of us are relying on car-pools to get to work, especially in Orange County: Since 2000, car-pool use here has dropped 13 percent. The only good news: The average commute in the region lasted 28 minutes each way. That was unchanged from the previous year.

## Air quality

**Grade: C-, down from last year's C** Air quality deteriorated last year. The growing number of people driving to work alone contributed to the problem. But SCAG says the real culprit was the hot weather, which intensifies ozone pollution. The South Coast Air Basin, which includes Orange County and is home to 15 million of the region's 17 million residents, violated federal ozone standards 68 times in the most recent year SCAG looked at, up from 49 days in the previous year. That was the worst record of any U.S. air basin.

The news for swimmers and surfers was just as bad. The number of beach closures due to bacterial contamination spiked 17 percent last year, SCAG said.

The good news: Total water consumption fell 3 percent, or about 3.3 million acre feet, in the most recent period SCAG studied, continuing a decades-long trend. Per-capita water use in the region now stands at about 183 gallons a year - down from 210 gallons per person in 1990.

And we threw away more trash, stressing strained landfills. Each of us threw away about 6.5 pounds a day on average last year, up from 6.2 pounds the previous year but down from 8 pounds in 1990.

## Employment

**Grade: B, up from last year's B-** This was one of the report's few bright spots - in the face of some hysterical talk from the business community about the state's hostile business climate and the exodus of employers to other states.

After losing jobs in 2001 and 2002, Southern California has turned the corner and businesses here are hiring again. In fact, job creation is occurring in Southern California at a faster rate than elsewhere in the state and country. As a result, the gap between the national unemployment rate and the region's unemployment rate continues to narrow after blowing out dramatically in the early 1990s following the region's recession.

But the overall mix of jobs being created here pays less, on average, than the mix of jobs we've lost. As a result, the region has experienced no improvement in household income.

"We've improved the quantity of jobs," said Ping Chang, SCAG's chief economist and the principal author of the report card, "but the quality is declining."

What's more, blacks and Hispanics continued to be twice as likely to be jobless as non-Hispanic whites and Asians.

## Income

**Grade: C- (unchanged)** The good news: After declining two years in a row, household incomes adjusted for inflation have stabilized, SCAG said.

The bad news: Because the new jobs being created here pay, on balance, less than the jobs we've lost, the region continues to rank dead last in per-capita income among the country's 17 largest metro areas. (In 1970, we ranked fourth.)

SCAG attributes the region's basement showing to two factors: the departure of high-wage jobs in manufacturing and information, and the decline in educational levels. The latter, SCAG says, is a function of the demographic changes sweeping the region. Simply put, most of the people moving here are foreign immigrants who tend to be young and relatively poorly educated, and often undocumented to boot. So the wages they earn are lower.

All that helps explain why the poverty rate - defined as a family of four earning less than \$18,810 a year - is 15 percent here, compared with 12.5 percent nationally and 13.4 percent in the state. Among the nine largest U.S. metro regions, Southern California has the most poverty.

## Housing

**Grade: D, down from last year's D+** The dream of homeownership has morphed into something less pleasant here, SCAG says, as real-estate prices have risen and affordability continued to decline precipitously.

As a result, the homeownership rate here has stalled at around 53 percent, significantly below the national rate of 68 percent, despite low interest rates.

Among the country's nine largest metro areas, Southern California has the highest percentage of households - owners and renters - who spend 30 percent or more of their monthly household income on shelter.

And while the region is experiencing a building boom, with more permits issued last year than any year since the late-1980s, housing construction continues to lag population growth. That, together with stagnant incomes, helps explain the region's housing problem.

The high-cost housing burden isn't just an inconvenience for residents. SCAG warns that it "remains a serious challenge to the region's long-term economic growth" because it discourages businesses from locating or expanding here.

## Safety

**Grade: B (unchanged)** It probably won't affect the demand for gated communities and private security companies, but violent crimes in the region - homicides, rapes, robberies and aggressive assaults - fell 6 percent last year after falling 3 percent in 2003, according to SCAG.

Before you leave your front door unlocked on your next trip to the grocery store, however, remember this: The region continues to have a higher violent-crime rate than the state as a whole. (The exceptions here, once again, were Orange and Ventura counties, which have much lower violent-crime rates than the other four Southern California counties.) And in another encouraging sign, hate-crime reports dropped 12 percent last year following a 30 percent drop in 2003.

And when it comes to juvenile felony-arrest rates, Los Angeles is no longer the black sheep. That dubious honor now goes to Riverside and San Bernardino counties.

## Education

**Grade: D (unchanged)** If the children represent our future, Southern California is in a heap of trouble, SCAG says.

Eighth-graders in the region continue to underperform their peers elsewhere in the nation on reading and math tests. And if the above-par performances by eighth-graders in Orange County and Ventura on those tests were stripped out, Southern California's showing would be even more dismal.

That, coupled with the region's large population of foreign-born, often poorly educated immigrants, put Southern California in last place among the country's nine largest metro areas in terms of the percentage of adult residents with a high school diploma - and second to last in the percentage of adults with at least an undergraduate college degree. Blacks and Hispanics are experiencing especially high dropout rates, SCAG said.

In addition, fewer than half the students who graduate from high schools in the region were ready for college, SCAG says. In 2003, less than 40 percent of the high school grads completed courses required for entrance to a state university.